

MINUTES

MONTANA SENATE 65th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: Vice Chair Roger Webb, on March 21, 2017 at 9:00 A.M., in Room 405 Capitol

ROLL CALL

Members Present:

Sen. Mark Blasdel, Chair (R)
Sen. Roger Webb, Vice Chair (R)
Sen. Dick Barrett (D)
Sen. Jill Cohenour (D)
Sen. Brian Hoven (R)
Sen. Sue Malek (D)
Sen. Edith (Edie) McClafferty (D)
Sen. JP Pomnichowski (D)
Sen. Tom Richmond (R)
Sen. Russel (Russ) Tempel (R)

Members Excused: Sen. Scott Sales (R), Sen. Fred Thomas (R)

Members Absent: None

Staff Present: Jaret Coles, Legislative Branch
Olivia Hopkins, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 187, 3/15/2017; SB 347, 3/15/2017

Executive Action: SB 343, SB 317

00:00:41 Chairman Webb

HEARING ON SB 347

Opening Statement by Sponsor:

00:01:08 Sen. Jedediah Hinkle (R), SD 32, opened the hearing on SB 347, Revise business related travel expense deductions.

Proponents' Testimony:

00:03:07 Tom Stusek, attorney, Bozeman

[EXHIBIT\(tas58a01\)](#)

[EXHIBIT\(tas58a02\)](#)

00:16:55 Sen. McClafferty entered the meeting.

00:26:51 Sen. Blasdel entered the meeting.

00:28:35 Row Marshall, self

Opponents' Testimony:

00:28:50 Gene Walborn, director, Montana Department of Revenue (DOR)

[EXHIBIT\(tas58a03\)](#)

00:35:54 Holly Franz, Montana Society of Certified Public Accountants (MSCPA)

Informational Testimony: None

Questions from Committee Members and Responses:

00:41:13 Sen. Hoven

00:41:49 Ms. Franz, MSCPA

00:42:06 Sen. Barrett

00:42:51 Ms. Franz

00:43:23 Sen. Barrett

00:44:17 Mr. Franz

00:44:34 Chairman Webb

00:45:19 Mr. Walborn, DOR

00:46:29 Brian Olsen, Montana Department of Revenue

Closing by Sponsor:

00:47:21 Sen. Hinkle

[EXHIBIT\(tas58a04\)](#)

00:49:26 Chairman Webb

00:49:32 Sen. Blasdel resumed the duties of the Chair.

HEARING ON HB 187

Opening Statement by Sponsor:

00:50:10 Rep. Jim Hamilton (D), HD 61, opened the hearing on HB 187, Establish an angel investor/venture capital tax credit.

00:53:56 Sen. Cohenour entered the meeting.

Proponents' Testimony:

00:56:18 Liz Marchi, Frontier Angel Fund

01:03:50 Will Price, Next Frontier Capital Fund

01:13:19 Richard Harjes, Next Frontier Capital Fund

01:23:29 Dennis O'Brien, Linn Grove Ventures

01:29:17 Alex Fichtler, self

01:33:02 Stan Abel, Site One Therapeutics

01:39:08 Patrick LaPointe, Frontier Funds

01:47:20 Ms. Marchi, Frontier Angel Fund

01:48:14 Bridger Mahlum, Montana Chamber of Commerce

01:50:51 Greg Dorrington, Montana Bankers Association

01:51:54 Riley Johnson, National Federation of Independent Business

01:52:40 Robert Story, Montana Taxpayers Association

Opponents' Testimony: None

Informational Testimony:

01:53:03 Ed Caplis, Montana Department of Revenue (DOR)

Questions from Committee Members and Responses:

01:53:32 Sen. Tempel

01:53:58 Mr. Caplis, DOR

01:54:17 Sen. Tempel

01:54:21 Mr. Caplis

01:54:39 Sen. Hoven

01:55:20 Rep. Hamilton

01:55:31 Sen. Barrett

01:56:13 Rep. Hamilton

01:56:45 Sen. Barrett

01:57:34 Tracie Abel, Montana Department of Revenue (DOR)

01:58:09 Sen. Barrett

01:58:52 Ms. Abel, DOR

01:59:42 Sen. Hoven

02:00:17 Rep. Hamilton

02:00:30 Mr. Harjes, Next Frontier Capital Fund

02:01:09 Sen. Hoven

02:01:25 Mr. Harjes
 02:01:57 Sen. Malek
 02:02:28 Ms. Marchi
 02:03:12 Sen. Malek
 02:03:26 Ms. Marchi
 02:05:28 Sen. Malek
 02:05:42 Ms. Marchi
 02:06:42 Chairman Blasdel
 02:07:26 Mr. Caplis
 02:07:34 Chairman Blasdel
 02:07:55 Rep. Hamilton

Closing by Sponsor:

02:08:38 Rep. Hamilton
 02:16:47 Chairman Blasdel
 02:17:21 Recess
 02:30:54 Reconvened

Discussion:

02:31:05 Chairman Blasdel
[EXHIBIT\(tas58a05\)](#)
 02:31:20 Sen. Cohenour

EXECUTIVE ACTION ON SB 343

02:32:38 **Motion:** Sen. R. Webb moved that **SB 343 DO PASS.**
 02:32:39 **Motion:** Sen. Richmond moved that **SB 343 BE AMENDED.**
[EXHIBIT\(tas58a06\)](#)

Discussion:

02:33:11 Sen. Richmond
 02:34:08 Sen. Hoven
 02:34:54 **Vote:** Motion carried unanimously by voice vote. Sen. S. Sales and Sen. Thomas voted by proxy.
 02:35:28 **Motion:** Sen. R. Webb moved that **SB 343 BE AMENDED.**
[EXHIBIT\(tas58a07\)](#)

Discussion:

02:35:34 Chairman Blasdel
 02:36:28 Sen. Webb

02:36:33 Chairman Blasdel
02:36:54 Sen. Barrett
02:37:06 Chairman Blasdel

02:37:36 **Vote:** Motion carried unanimously by voice vote. Sen. S. Sales and Sen. Thomas voted by proxy.

02:37:42 **Motion:** Sen. R. Webb moved that **SB 343 DO PASS AS AMENDED.**

Discussion:

02:37:55 Sen. Hoven
[EXHIBIT\(tas58a08\)](#)

02:40:04 Sen. Webb
02:41:03 Sen. Barrett
02:43:10 Sen. Malek
02:43:46 Sen. Hoven

02:44:55 **Vote:** Motion carried 9-3 by roll call vote with Sen. Hoven, Sen. S. Sales and Sen. Tempel voting no. Sen. S. Sales and Sen. Thomas voted by proxy.

EXECUTIVE ACTION ON SB 317

02:46:31 **Motion:** Sen. R. Webb moved that **SB 317 DO PASS.**

02:46:54 **Motion:** Sen. Hoven moved that **SB 317 BE AMENDED.**
[EXHIBIT\(tas58a09\)](#)

Discussion:

02:47:23 Jaret Coles, Legislative Service Division (LSD)

02:47:59 **Vote:** Motion carried 7-5 by voice vote with Sen. Barrett, Sen. Cohenour, Sen. Malek, Sen. McClafferty and Sen. Pomnichowski voting no. Sen. S. Sales and Sen. Thomas voted by proxy.

02:48:21 **Motion:** Sen. R. Webb moved that **SB 317 DO PASS AS AMENDED.**

Discussion:

02:48:46 Sen. Malek
02:48:54 Sen. Richmond
02:50:26 Chairman Blasdel
02:51:07 Sen. Cohenour

02:53:23 **Vote:** Motion failed 6-6 by roll call vote with Sen. Blasdel, Sen. Hoven, Sen. Richmond, Sen. S. Sales, Sen. Thomas and Sen. R. Webb voting aye. Sen. S. Sales and Sen. Thomas voted by proxy.

Discussion:

02:54:23 Chairman Blasdel

02:55:23 Mr. Coles, LSD

[EXHIBIT\(tas58a10\)](#)

[EXHIBIT\(tas58a11\)](#)

02:55:42 Chairman Blasdel

02:56:13 Sen. Barrett

02:57:00 Chairman Blasdel

ADJOURNMENT

Adjournment: 12:00 PM

Olivia Hopkins, Secretary

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Additional Documents:

EXHIBIT([tas58aad.pdf](#))